

It is often said that small businesses are the engine of the American economy. They provide the growth, employment and investment opportunities that make this country great. Over the past year, however, I've been hearing from many small businesses owners who have become frustrated with the lack of availability of credit to help expand their businesses. Even during hard times, these entrepreneurs want to hire more hard-working Americans, increase their services and grow their businesses. Unfortunately, several obstacles have made this difficult, resulting in a dramatic drop of small businesses loans since the financial crisis in 2008 under President Bush.

Last week, Congress took another step to address this problem by passing the Small Business Jobs Act, which President Obama signed into law on Monday, September 27th. This bill will unleash hundreds of billions of dollars in loans for America's small businesses, help these businesses create half a million new jobs, and provide billions in tax relief. I have stated several times over the past year that it is unacceptable for small businesses, which have created two-thirds of America's new jobs over the last 15 years, to not be given the support they need to grow.

In particular, the Small Business Jobs Act will

- Create a \$30 billion Small Business Lending Fund to provide community banks with capital to increase small business lending. The fund is limited to the smallest banks, those holding \$10 billion or less in assets, with key performance-based standards to incentivize those lenders that extend new credit to small businesses (decreasing the dividend rate banks pay as they increase small business lending).
- Invest \$1.5 billion in grants to support \$15 billion in new small business lending through already successful state programs.
- Expand access to and lower costs for small business to access SBA loans and increases Small Business Administration (SBA) loan limits:
- Continue the small business lending program that eliminates fees charged for SBA loans [7(a) and 504 loans] and increases the government guarantees on 7(a) loans from 75 percent to 90 percent through the end of the year. Since its creation, this has supported over \$26 billion in

small business lending, which has helped to create or retain over 650,000 jobs.

- Raise the cap on small business loans to increase lending by \$5 billion in the first year, increasing the 7(a) and 504 loan limits from \$2 million to \$5 million, 504 loan limits for manufacturing firms are increased to \$5.5 million, Microloan limits are increased from \$35,000 to \$50,000 and SBA Express working capital loans are increased from \$250,000 to \$1 million.
- Spur investors by giving 100% exclusion from capital gains taxes on small business investments.
- Reduce small business taxes by allowing them to carry back general business tax credits to offset their taxes from the previous five years. Small businesses will also be able to count the general business credits against the Alternative Minimum Tax (AMT), freeing up capital for expansion and job growth.

In addition, I'm proud to say that the legislation passed with an amendment I sponsored that will help minority business owners receive adequate outreach and access to funds. For more information, [click here](#).